

Doing it right. Right now.

The Caldwell Companies way of doing business

BY BRANDI SMITH



Jim Black
Sr Vice President of
Commercial Property
Services



Keith Edwards
Sr Vice President of
Brokerage Services

If you ask the professionals who work for Houston-based Caldwell Companies what initially drew them to the firm, one word universally comes up: culture.

"It's the people," says Jim Black, Caldwell's Senior Vice President of Commercial Property Services. "It's really the associates I work with every day. It's great people and a family-like environment."

"The culture and the people were just a perfect fit," echoes Senior Vice President of Brokerage Services, Keith Edwards. "I've been with Caldwell going on 18 years and love it. I love every day of it."

The two industry vets, whose combined brokerage experience totals nearly 70 years, say Caldwell's culture stresses integrity above all.

"This is a faith-based company. We are proud of that and approach everything with a high degree of integrity and honesty," Black says. "We always try to do the right thing all the time."

The company even has this as their mission statement - "Doing it right. Right now." You will find it splashed across Caldwell's website, but the staff say it goes far beyond that.

"We have teamwork, we trust each other and we put relationships first," stresses Edwards. "We treat each other with respect - the same respect we show to our clients is also how we treat our co-workers."

The company started in June 1990 as a partnership between John Nyberg and Fred Caldwell called Caldwell Nyberg Interests. The group focused primarily on industrial brokerage until Nyberg left. After successfully jumping into land brokerage, the company eventually added office brokerage, investment service, residential and commercial development.

In 1997, Caldwell met his new partner, Chuck Watson, and formed Caldwell Watson Real Estate Group. The firm recorded incredible growth and established itself in the region. Now privately owned by Caldwell, the company is firmly entrenched in the

Houston, Woodlands and College Station markets and has been recognized many times in the community, garnering such honors as being ranked in the top five in a recent Houston Business Journal's "Best Places to Work" list.

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Black and Edwards attribute much of Caldwell's success to the corporate culture that drew them to the company in the first place.

"In this business, it can be easy to take shortcuts or not go the extra mile. That's not what we do," Black explains. "We always do what's best and what's right for the client."

He adds that Fred and Susan Caldwell run the firm like a family business, stressing respect for employees and clients.

"That's unique in commercial real estate," Black says. "You don't see that often."

That team mentality trickles into every part of the business, according to Edwards.

"My business unit is comprised of land specialists and we run it as a team," he says. "We're a team of brokers working together as one. That's something

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- Jim Black

else you don’t see very often in the industry and we feel strongly that this is a win for our clients.”

In fact, the company has its own definition of TRUST and WIN. TRUST breaks down to teamwork, relationships, urgency, service and training. While a WIN for Caldwell is all about work ethic, integrity and an “n’creativity” approach to projects.

Though he’s spent nearly two decades at Caldwell, Edwards got started in real estate right out of college. He dove into the industry at the ripe old age of 21. Now, almost 40 years later, he’s going as strong as ever with no plans to call it quits any time soon.

“Ninety percent of that time, I was selling raw land,” he explains. “In the late ’70s and early ’80s, I did some industrial, but my primary focus has always been commercial land and farm and ranches.”

Black, meanwhile, logged more than 23 years with one of the largest industrial development companies in the country before joining Caldwell five years ago. In that time, he’s worked on major projects such as Bondesen Business Park, Northwest Point Industrial Park and Beltway 8 Office Center.

Caldwell concentrates on projects in suburban North, Northwest and West Houston, as well as The Woodlands area, outlying counties and the College Station area. It’s a market the company knows well, especially since many of its employees, including Black and Edwards, live there.

“It’s been nice watching Houston grow this direction,” says Black, who calls Cypress home. “The area has drawn great restaurants, entertainment venues, concerts and almost anything else you can think of. The population growth is tremendous.”

Black and Edwards share a love of golf, but Edwards says other hobbies include trying new restaurants and fishing.



“You can do all of that right here in Northwest Harris County,” he says.

Though Edwards has lived in the Klein area for the past 35 years, he’s about to join Black in Cypress. His family is making a move to Towne Lake, a Caldwell master-planned community at the corner of Barker Cypress and Tuckerton Road.

When the 3,000-home Towne Lake is complete, it will cover 2,400 acres, 300 of which are dedicated to Houston’s largest private recreational lake.

Towne Lake also offers mixed-use and commercial development, such as a boardwalk, marina, amphitheater, grocery store and more.

Working in the industry as long as they have, Edwards and Black have both seen the highs and lows of the land market cycle over the years. As Black puts it, the market is on or off; there really is no in-between.

“We’ve been fortunate for the past five years. It’s been a great market,” he says. “But we also look back and remember the pain we went through back in ’09 and ’10 when the market was absolutely shut off.”

Right now, Edwards says, the land team is taking advantage of this strong market while also making plans and building relationships to be prepared for when the market might slow down again.

“There’s always a little bit of concern about what could happen and when,” Black adds.

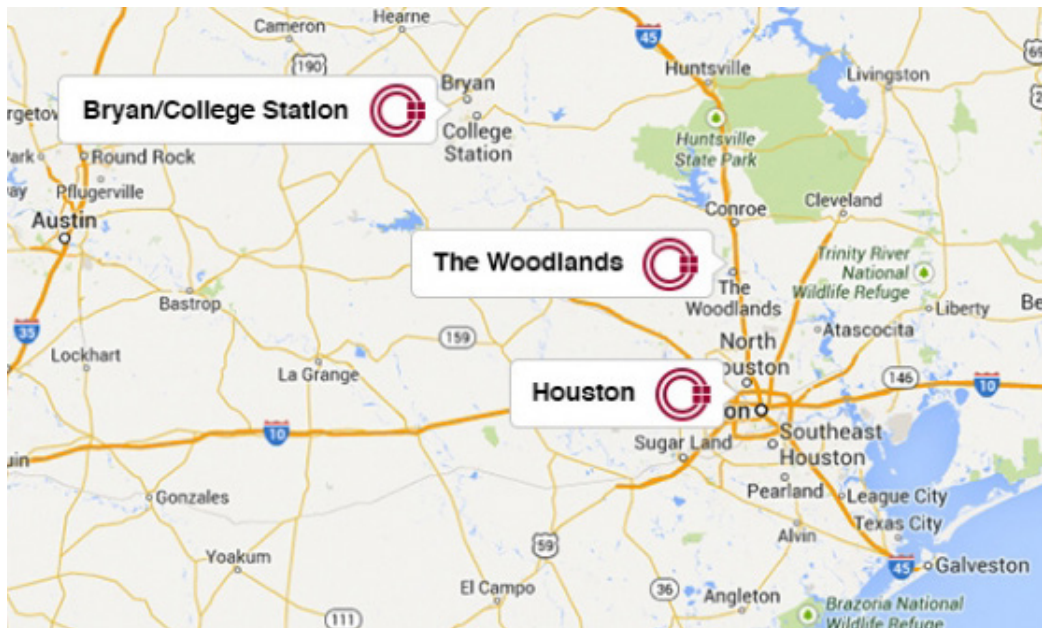
As they watch for big changes in the market, they’re also keeping an eye on current trends. Population growth, they say, continues to push west and northwest of Houston.

“I don’t see that trend stopping any time in the near future,” says Black. “We’re fortunate to be right in the middle of it.”

The challenge for the Caldwell team is finding large tracts that have, or can easily get, utilities that are ready for development. Edwards calls those pieces of property “few and far between right now.”

“What you’re finding is that some master-plan developers are coming in and buying land, but then they’re having to create their own MUD. It’s going to take at least a year, possible two to three years, for the MUD to come online,” he explains.

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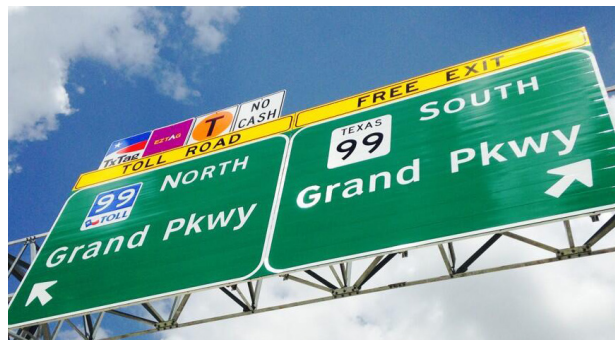
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That hurdle is creating concerns about affordability as parcels fetch more than ever.

“Large land tract price per acre is increasing dramatically. It was \$20,000, then it was \$25,000. Soon it was \$40,000, \$50,000, \$60,000 and now \$70,000,” Edwards says. “We’re definitely seeing a price increase, but if the water and sewer is readily available or close or nearby, they can make those numbers work.”

“It’s generally not a good thing for residential developers, when you start quoting numbers in price per foot as opposed to price per acre, but we’ve seen that. It’s gone over \$1 per foot in a lot of these locations,” adds Black. “That’s a challenging price point for them to put in the infrastructure and sell lots to builders at the right numbers for the eventual home owners.”



Caldwell’s experts say they’ve seen a shift in the market in which developers are buying smaller tracts, usually between 15 and 20 acres. Though the price is a bit higher, the property typically comes loaded with utilities, making for an easy conversion to a smaller subdivision.

Though that’s a move away from large, master-planned communities, those projects are still a big piece of the Houston market.

“That’s going to continue in the outlying areas, out beyond Katy, Fulshear and Waller,” Black says. “The Grand Parkway has been the game changer. It’s making accessibility to The Woodlands, Katy and all parts of the city tremendously easier. I think that’s having an impact on both residential and commercial businesses out here.”

Black compares the Grand Parkway’s expansion into the northwest corner of Houston to the opening of Beltway 8 about 15 years ago.

“I worked on some pretty major new industrial investments back then and I think, at that time, some of the brokers we dealt with thought we were nuts,” he laughs. “We felt like that was going to be a good market. Obviously a huge roadway like that is eventually going to get filled up with cars, and it did.”

“I think you’re going to see more commercial and residential development with the Grand Parkway opening up,” Edwards predicts.

Black expects the same outcome for the Grand Parkway and predicts a loop beyond it will undoubtedly be built decades from now.

“We’re just going to continue to expand and grow. That’s one of the advantages that Houston has,” says Black. “On the west side and north side of town, there’s no shortage of land.”

No shortage of land means the team at Caldwell Companies will stay busy, “doing the right thing, right now” to ensure healthy and happy relationships with their clients and continued success brokering and managing land transactions. ■